

**APPRAISAL ASSIGNMENT**

**(Summary) Report Format**

Lessee: State Board of Land Commissioners  
Property: NHN John Alden Road,  
City of McCall, Valley County, Idaho, 83638  
Lot 4, Block 7, State Subdivision - Cove Replat

**As of**  
March 1, 2016

**Prepared For**

Mr. Thomas Schultz, Director  
Idaho Department of Lands  
300 N. 6th Street, Suite 103  
PO Box 83720  
Boise, ID 83720-0050

**Prepared by**

Hall - Widdoss & Company, P.C.

Steven A. Hall, MAI, CCIM

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### ADDENDA

Quit Claim Deed

# **Hall-Widdoss & Company, PC.**

## **Real Estate Valuations & Consulting**

1001 SW Higgins Avenue, Suite 201

Missoula, MT 59803

Telephone (406) 721-3822; Telefax (406) 721-7848

[steve.hall@hall-widdoss.com](mailto:steve.hall@hall-widdoss.com)

[nickhogan@gmail.com](mailto:nickhogan@gmail.com)

[matthall7667@hotmail.com](mailto:matthall7667@hotmail.com)

Steven A. Hall, MAI, CCIM  
MT & ID General Certified

Nicholas J. Hogan, MAI  
MT, ID & WY General Certified

Matt S. Hall  
MT General Certified

John Widdoss, MAI, ARA  
Spearfish, SD (605) 642-8844

November 16, 2016

Mr. Thomas Schultz, Director  
Idaho Department of Lands  
300 N. 6<sup>th</sup> Street, Suite 103  
PO Box 83720  
Boise, ID 83720-0050

Re: Appraisal Report, No Lessee reflecting ownership of the State Board of Land Commissioners, located at NHN John Alden Road, City of McCall, Valley County, Idaho, 83638 (Lot 4, Block 7, State Subdivision - Cove Replat; Subject to Extraordinary Assumptions; Contract #15-101, Modification No. 5, Payette Lake 2017 VAFO Appraisals

Dear Mr. Schultz:

This letter of transmittal recognizes Contract #15-101, Modification No. 5, dated 9/14/2016 between the State of Idaho, Department of Lands and the firm of Hall – Widdoss & Company, PC. Please be advised this report, in conjunction with the Sales Catalogs previously submitted & approved for the 2016 VAFO cycle, constitutes compliance with the terms of the Appraisal Instructions/Scope of Work, Payette Lake VAFO Appraisals. This report, together with the 2016 Sales Catalog form the basis for the appraisal opinions expressed herein that present a value for the cottage site as a “vacant & unimproved” property under a Before & After analysis. This report must be viewed in context of the Supplemental Sales Catalog (2016) and the 2015 Sales Catalog for full compliance with Scope and the general requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. In addition, the appraisal presented is intended to be in full compliance with all applicable laws & regulations affecting this service & report in which jurisdiction the subject property is located.

The property being appraised is intended to form the basis of market value for use in the VAFO 2016/2017 for Payette Lake. The contract modification will establish the cottage site market value, as though “vacant & unimproved” under the Before analysis which ignores the previous Quit Claim Deed and presents a valuation opinion of the subject site reflective of its original site size & dimensions, prior to the QCD. I am also to provide an opinion of the market value of this same lot in the After condition which reflects the site size & dimensions as though the QCD has occurred. The difference between these two values is the estimated value of the portion of the lot quit claimed from the State Board of Land Commissioners to Charles R. and Jannifer D. Schmoeger.

The report, as a stand-alone document, is missing key (critical) information and analysis upon which the value opinion is based. Without the supplemental sales catalog & the 2015 sales catalog, this summary report would be incomplete. As such, there is a connectivity between the individual appraisal & these previously submitted & approved sales catalogs.

The subject property a single family recreational cabin site located near Payette Lake with lake access through a common area assigned to the respective subdivision identified. The cottage site, as vacant & unimproved is described in the body of this report. This cottage site has a specific size measured in square foot increment, topography, ground cover, and access that are all weighted as to a scale of measuring the quality of the lot. Private road access is maintained by Homeowner Association(s); commonly stated as an HOA. Access to the private road(s) is via public road. In this case, the subject is accessed via Davis Avenue to Lick Creek Road to Pilgrim Cove Road to Plymouth Road to John Alden Road. The subject is located on John Alden Road. The site is serviced by electricity, telephone, public (community) sewer and development of the lot will require a private domestic well water.

From review, it would appear that all leased lots defined by this contract are regulated by an R-4 zoning district. The subdivision plat filed in Valley County contains Conditions, Covenants & Restrictions, as more commonly known as CC&R's. This regulates the individual cottage site for a single-family residential use, no further subdivision of the lot, as set forth in that plat CC & R's. No more than one single-family dwelling unit and such associated accessory structures are allowed.

Please reference the scope of work section of this report for important information regarding the scope of research and analysis for this appraisal, including property identification & inspection, and an analysis of highest and best use analysis and valuation methodology. Your attention is directed to the Limiting Conditions and Assumptions section of this report. Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

**Hypothetical Conditions:** Hypothetical condition that the underlying site represents a 'Vacant & Unimproved' condition so valuation of cottage site is land only. Leasehold Improvements are termed personal property which includes the composite of all site & structural improvements made to the property. There are no improvements relative to the site being valued.

The valuation of this lot is being completed under a Before and After analysis to recognize the value of the Part transferred via a Quit Claim Deed to Charles and Jannifer Schmoeger as of August 20, 2014. The Before condition requires a hypothetical condition that ignores the Quit Claim Deed transferring a portion of this property to the owners of Lot 5, Block 7, Cove Replat. In essence, I am assuming, for purposes of valuation, the quit claim deed did not occur and the recorded plat is the subject size and dimensions.

**Extraordinary Assumptions:** The property inspection occurred on November 1, 2016 but the client & appraiser has agreed to the extraordinary assumption that the date of value of March 1, 2016 be used. This is therefore a retrospective valuation that recognizes the sales research had been done through February of 2016 and that this research was the basis of market data to be used for this valuation. It is assumed that the subject property was in the exact same condition on March 1, 2016 as it was when the property was inspected on November 1, 2016. As this is a vacant parcel of land, that extraordinary assumption would seem to be without a great deal of impact to the valuation noted herein.

This is not a valuation of the Part Acquired. It is a valuation of this lot under two different scenarios. The difference is then considered the value of the parcel transferred by the Quit Claim Deed identifying the Grantor as The State Board of Land Commissioners and the Grantee was Charles R. Schmoeger and Jannifer D. Schmoeger, husband and wife (QCD State Deed No. 13870). The property transferred is attached to Lot 5, Block 7 of State Subdivision - Cove Replat.

I certify that I have no present or contemplated future interest in the property beyond the value opinions expressed herein. The appraiser has NOT performed prior services regarding the subject within the previous three years of the appraisal date, unless specifically stated.

**Before Valuation:** Based upon my investigations, studies and analyses, it is my opinion the **market value of the subject property defined herein as the "Vacant & Unimproved" cottage site**, reflecting the extraordinary assumption the Quit Claim deed was not filed and the original plat is the site size & dimensions of this "Vacant & Unimproved" condition, as of March 1, 2016, was:

**Sixty Seven Thousand Dollars**  
**\$67,000**

**After Valuation:** Based upon my investigations, studies and analyses, it is my opinion the **market value of the subject property defined herein as the "Vacant & Unimproved" cottage site**, reflecting the extraordinary assumption the Quit Claim deed has been filed and the original plat was modified to reflect this adjusted site size & dimensions of this "Vacant & Unimproved" condition, as of March 1, 2016, was:

**Fifty Five Thousand Four Hundred Dollars**  
**\$55,400**

The difference between these two valuations is the opinion of value expressed for the Area Transferred by Quit Claim Deed, as of March 1, 2016. The difference in these two valuations resulted in a value of this Area Transferred by Quit Claim Deed to be:

**Eleven Thousand Six Hundred Dollars**  
**\$11,600**

Please refer to the supplemental sales catalog (2016) and the 2015 sales catalog for the analysis of exposure time. Your attention is invited to the data found within the body of this report which, in part, is the foundation of this conclusion. I wish to thank you for this opportunity to be of service. If there are any questions or issues that need attention, please do not hesitate to contact me.

Respectfully submitted,  
Hall - Widdoss & Company, P.C.

 2016.11.16  
10:53:11 -07'00'

Steven A. Hall, MAI, CCIM  
ID Certified General CGA-257  
Expires August 11, 2017

## SUMMARY OF SALIENT FACTS AND CONCLUSIONS

### **PROPERTY IDENTIFICATION**

**Land:** The chart below reflects the site characteristics as the vacant & unimproved cottage site.

Site Description	Location		Legal Description	
	NHN John Alden Road		Lot 4, Block 7, State Subdivision - Cove Replat	
Site Size (SF)	15,221	Square Feet	Lease No	
Site Size (Ac.)	0.3494	Acre	No Specific Reference	
Road Frontage/Access	Private road access is maintained by Homeowner Association(s); commonly stated as an HOA. Access to the private road(s) is via public road which is Davis Avenue to Lick Creek Road to Pilgrim Cove Road to the private roads of Plymouth Road & John Alden Road. Subject is located on John Alden Road.			
Topography - Brief Description	Gentle/Level & Sloping			
Topography Narrative	The parcel has a level to gentle slope up from road to a bench that then slopes down toward the lake. The eastern portion of the lot has the primary slope down. The western portion of the lot has a slight upslope & undulations from John Alden Road. The site is at-grade with the existing road.			
Shape/Configuration-Brief	Mostly rectangular			
Shape/Configuration-Narrative	Parcel is shown as rectangular in shape with the western boundary being a diagonal length consistent with the curve of John Alden Road. The lot dimension is primarily 64.67' by 224.71' plus the triangular area to the west end of the lot. The rounded site size shown on the official plat of 0.35 acres was modified for a calculated site size for purposes of analysis. The calculated site size is 15,221 sq ft which is 0.34943 acres. The official plat size was 0.35 acres +/-.			
Vegetative Cover	Parcel has a moderate tree cover with deciduous understory.			
Utilities	The site is serviced by electricity, telephone, public (community) sewer and private domestic well water will be required.			
Street Improvements	Davis Avenue, Lick Creek Road & Pilgrim Cove Road are paved & county maintained roads. Plymouth Road and John Alden Road are dirt & gravel roads which are maintained by the lots served by this roadway (local HOA).			
Zoning/Land Use	From review, it would appear that all leased lots defined by this contract are regulated by an R-4 zoning district. The subdivision plat filed in Valley County contains Conditions, Covenants & Restrictions, as more commonly known as CC&R's. This regulates the individual cottage site for a single-family residential use, no further subdivision of the lot, as set forth in that plat CC & R's. No more than one single-family dwelling unit and such associated accessory structures are allowed.			
Flood Hazard (Map Panel/Flood Risk)	1602200175A		Low Flood Risk	
Easements/Encroachments	The official plat does not show any easements nor does the inventory map show easements, driveways, etc. There are utility easements in John Alden Road. Access to the lot is direct from John Alden Road. There is assumed access to the community sewer service but the connection fee has not been paid (to my knowledge). There is no water well on the lot and it is assumed the lot will require a domestic water well be drilled for future use as a residential/recreational cabin site.			
The photos have shown a slightly upsloping lot from the at-grade topography at John Alden Road. The eastern portion of the lot forms a bench that drops in elevation towards the lake. This bench & moderately sloping area provides a limited view of the lake. With some tree removal, that view could be enhanced. The lot has moderate to dense conifer tree & deciduous brush cover. I have assumed there are no sub-surface water conditions that limit development of this lot. The most logical building site is toward the bench area that affords some limited views of the lake and places the improvements away from the roadway.				

**Improvements:** There are no improvements to this lot and there is no consideration of Personal Property as defined by this contract (& modifications).

VALUE INDICATIONS	
Land Value - Before:	\$67,000
Land Value – After:	<u>\$55,400</u>
OPINION OF MARKET VALUE –AREA TRANSFERRED	\$11,600
<i>FINAL OPINION OF VALUE – AREA TRANSFERRED</i>	<u>\$11,600</u>
Effective Date	March 1, 2016

## SCOPE OF WORK

This was defined in the sales catalog/project report and will not be repeated here except for the very specific conditions imposed by the Scope of Work.

1. **Client:** The client is the Idaho Department of Lands (IDL).
2. **Intended user:** The intended user is the Idaho Department of Lands (IDL). Although it is recognized the individual cottage site Lessee's may be provided a copy of this Appraisal, the Lessee is not an intended user of the appraisal.
3. **Purpose/Intended use:** The Purpose of this appraisal is to provide an opinion of the market value of the 1.) site as thought "Vacant & Unimproved" in the Before condition and 2.) the market value of the site in the After condition to determine the value of the Area Transferred by the Quit Claim identified as State Deed 13870, dated August 20, 2014 between the State Board of Land Commissioners and the Grantee Charles R. Schmoeger and Jannifer D. Schmoeger. The intended use recognizes the Idaho Constitution, Article IX, Section 8 that provides, "no state lands shall be sold for less than the appraised price."
4. **Type of value:** The type of value, as required by Scope of Work, is market value. That term has been defined within the sales catalog/project report.
5. **Effective Date of Value:** The effective date of appraisal is March 1, 2016, which is consistent with the extraordinary assumption denoted herein by agreement between the client & the appraiser. The date of inspection was shown to be November 1, 2016. The report date is that date shown on the letter of transmittal which coincides with the final report delivery to the client.
6. **Subject characteristics:** Deals with the extent of the subject property such as inspection/property viewing, property rights appraised, etc. This requires further address which is reflected in the sales catalog and within this appraisal.
7. **Assignment conditions:** Refers to hypothetical conditions, assumptions & limiting conditions. Please refer to the paragraphs below regarding the extraordinary assumption. The site valuation reflects a hypothetical condition that the cottage site is viewed as though vacant and unimproved. All recognized (approved) improvements are considered personal property which is also being valued herein.
8. **Prior Services:** I have not been involved in the appraisal of the subject cottage site within the last three years. This has been identified in the sales catalog.

(6. continuation) As identified in the Appraisal Instructions/Scope of Work, Payette Lake Cottage Sites, Item II. states "*At a minimum, the appraisal is to comply with the reporting requirements under Standards Rule 2-2(b) of the USPAP for a Summary Appraisal. The Appraisal Report, as described in USPAP, shall be used to support each individual lot appraisal. A report shall include photos, addenda, plats, maps, etc. that support the facts and the opinion of market value presented in the appraisal. All appraisal report forms must be in compliance with the current version of USPAP. Under USPAP 2016/17 an Appraisal Report or a Restricted Report are the classifications of the written report. In historic context, this is further classified as a narrative appraisal report (a summary appraisal report).*"



All neighborhood plats have been recorded. The rights and obligations associated with the platting, recording CCRs, and forming of neighborhood associations will be assumed to be in-place and operating at time the lots are appraised. Any substantive changes that occur in the future relative to these assumptions will be adjusted accordingly, if needed.

For this appraisal, the extent of the subject inspection involved a viewing of the exterior boundaries of the site to the extent possible and to walk the lot to gain a proper perspective of site topography, ground cover, shape, etc. The site view and site analysis reflects the State Subdivision plat as recorded in Valley County and it incorporates the Overlay maps of the recorded State Subdivisions with the Inventory Surveys provided by JUB Engineers, Inc.

The property view did not include an owner interview specifically although discussion with Idaho Department of Lands is viewed as an owner interview. The recognition the lot is vacant & unimproved is assumed. The lot is also assumed to have access to sewer.

(7. continuation). The client requested an opinion of the market value for the Cottage Site under a Before and After analysis. The Before condition of this Vacant & Unimproved site assumes (extraordinary assumption) the Quit Claim Deed did not occur and the site size & dimensions are the exact same as the official recorded plat. In the After condition, I am to provide an opinion of the market value of this tract as though re-defined by the Area Transferred creating a smaller site size and different dimension. It is a condition of this appraisal that the underlying site represents a "VACANT AND UNIMPROVED" condition. There is no personal property being valued as this is a vacant & unimproved tract of land. *The use of extraordinary assumptions and hypothetical conditions within the report should be viewed within context that their use might have affected the assignment results.*

**Hypothetical Conditions:** Hypothetical condition that the underlying site represents a 'Vacant & Unimproved' condition so valuation of cottage site is land only. Leasehold Improvements are termed personal property which includes the composite of all site & structural improvements made to the property. *There are no improvements relative to the site being valued.*

The valuation of this lot is being completed under a Before and After analysis to recognize the value of the Part transferred via a Quit Claim Deed to Charles and Jannifer Schmoeger as of August 20, 2014. The Before condition requires a hypothetical condition that ignores the Quit Claim Deed transferring a portion of this property to the owners of Lot 5, Block 7, Cove Replat. In essence, I am assuming, for purposes of valuation, the quit claim deed did not occur and the recorded plat is the subject size and dimensions.

**Extraordinary Assumptions:** The property inspection occurred on November 1, 2016 but the client & appraiser has agreed to the extraordinary assumption that the date of value of March 1, 2016 be used. This is therefore a retrospective valuation that recognizes the sales research had been done through February of 2016 and that this research was the basis of market data to be used for this valuation. It is assumed that the subject property was in the exact same condition on March 1, 2016 as it was when the property was inspected on November 1, 2016. As this is a vacant parcel of land, that extraordinary assumption would seem to be without a great deal of impact to the valuation noted herein.

This is not a valuation of the Part Acquired. It is a valuation of this lot under two different scenarios. The difference is then considered the value of the parcel transferred by the Quit Claim Deed identifying the Grantor as The State Board of Land Commissioners and the Grantee was Charles R. Schmoeger and Jannifer D. Schmoeger, husband and wife (QCD State Deed No. 13870). The property transferred is attached to Lot 5, Block 7 of State Subdivision - Cove Replat.

There are no other hypothetical conditions or extraordinary assumptions associated with this valuation.

Within the sales catalog/project report, I have incorporated definitions for hypothetical conditions and extraordinary assumptions. These definitions are taken from the USPAP 2016/2017 and clearly define what is meant by the terms. I have also included all of the sales information that forms the basis for the opinions expressed herein. By reference I am citing the supplemental sales catalog prepared for Contract Modification No. 4 as well as the Sales Catalog dated August 2015.

### **RECORD OWNER**

According to the information provided by IDL, the current Lessee for this property is shown as follows:

Lessee	:State Board of Land Commissioners
Lease #	:No Specific Reference

### **SALES HISTORY**

There have been no recent or relevant transfers of ownership for the subject property within the previous three years except the Quit Claim Deed that is the subject of this appraisal. This is endowment land administered by the Idaho Department of Lands.

### **LOCATION OF PROPERTY**

The property being appraised is located in Valley County, Idaho. More specifically, the property is located in the McCall area. The street address for the property is identified as NHN John Alden Road.

### **LEGAL DESCRIPTION**

According to the IDL provided information and based on county records, the subject property is more particularly identified as follows:

Lot 4, Block 7, State Subdivision - Cove Replat

### **REASONABLE EXPOSURE TIME & MARKETING TIME**

The definition has been included within the sales catalog and will not be shown again here. As noted in that report, reasonable exposure time for a fee simple ownership, ranged from days to well over a year. The market appears to be strengthening, specifically for the waterfront properties on Payette Lake. Please refer to the market analysis contained in the sales catalog and the discussion of reasonable exposure time. Marketing time is not an issue of relevance since the subject is part of a VAFO opportunity and the sale will occur on a specific date. The Improved Waterfront sales denoted in the supplemental sales catalog have shown older cabins being demolished with time on the market for these properties ranging from less than 2 weeks to well over 200+ days. The average days-on-market has been discussed & shown to be no greater than 6 months. For non-waterfront properties, the days-on-market is less than waterfront property. That tracks with the greater affordability, the lower dollar amounts and the more conventional financing that is available for this type of real property.

### **PROPERTY RIGHTS APPRAISED**

The subject property is being valued on the basis of a site value as "vacant and unimproved" in both a Before and After condition. In the Before condition, there is an extraordinary assumption that the August 20, 2014 Quit Claim Deed did not occur and the site is the same as shown & described by the official recorded plat. That is the presentation of the Before site size & dimensions. In the After condition, the site size is excluding the area transferred by the recorded Quit Claim Deed. The difference between the Before and After analysis is the valuation of the Area Transferred.

Easements for access & utilities are common and not felt to be an element of value concern. The value opinions expressed herein assume legal physical access to the site together with a legal right to connect to city or municipal sewer but the fee to connect is part of the leasehold and not the "vacant & unimproved" condition.

For valuation purposes, I am assuming access to municipal sewer but not a paid fee for connection. There are no easements of record or identified on the recorded plat or the inventory map that are pertinent to either Before or After analysis. There are no personal property items to consider here. This is a vacant tract of land.

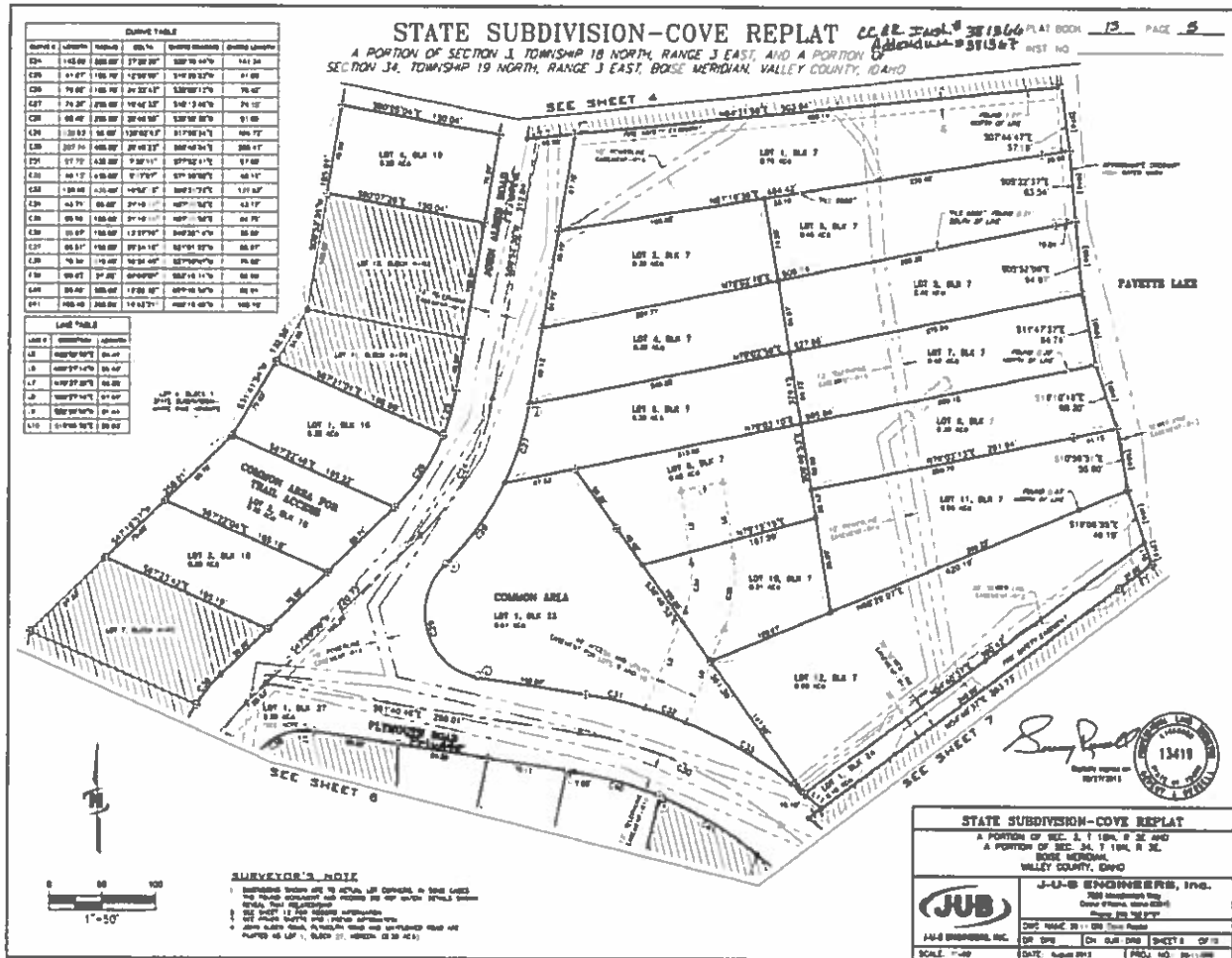
## LOCATION MAP



AERIAL PHOTOGRAPH

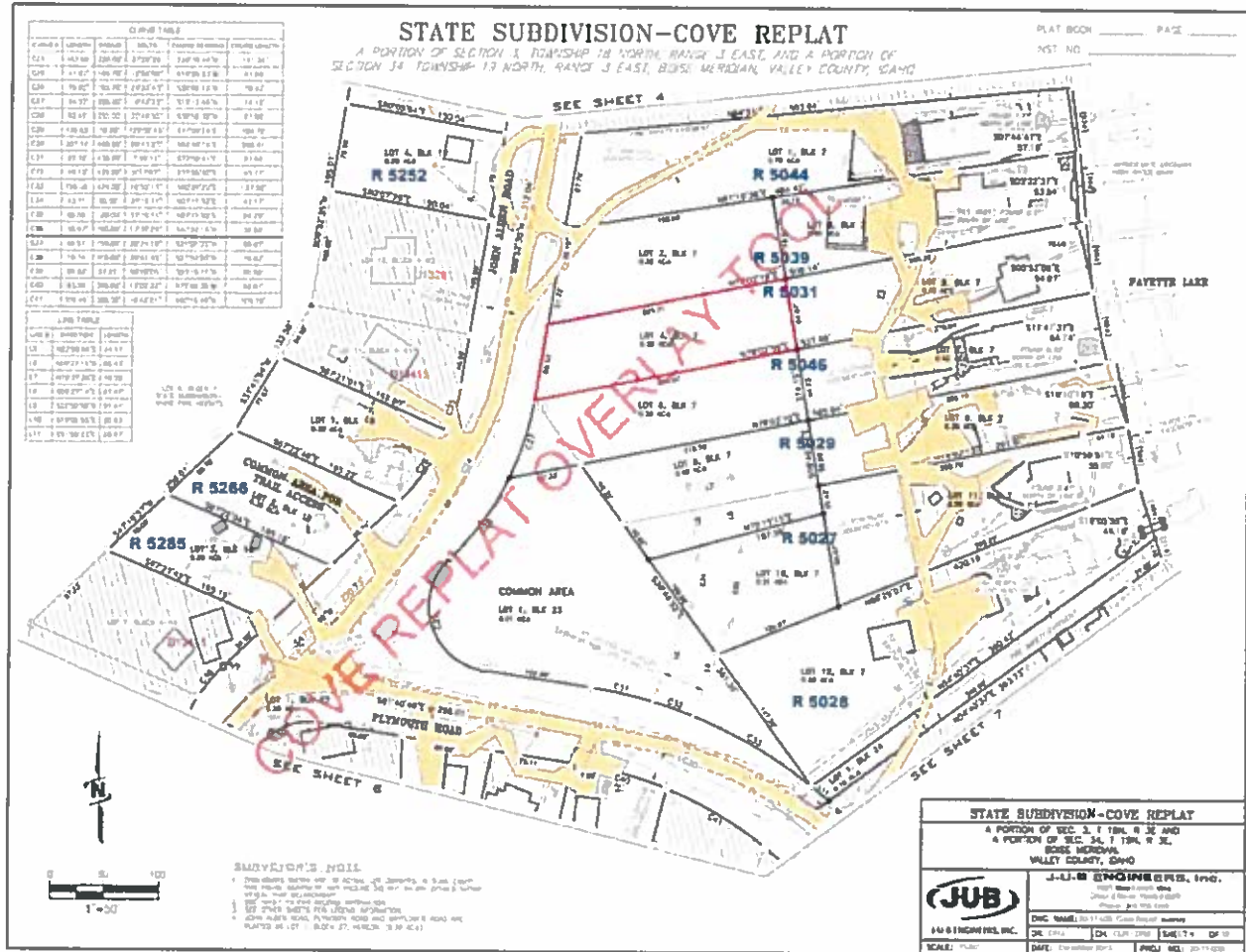


## PLAT MAP





## INVENTORY MAP



**SUBJECT PHOTOGRAPHS**



ABOVE: View from the northwest corner looking south/southwest (John Alden Road to right). (4133)



ABOVE: Same location but looking easterly along the north boundary. (4134)



ABOVE: Same location but looking southeast into the interior of the lot and to the likely building site. (4135)



ABOVE: View to the west from the northeast corner of the lot. (4157)





ABOVE: Same location but looking southwest into the lot. Note the level area is Lot 5 and slope is left. (4158)



ABOVE: Close-up of north boundary of Lot 4 looking west/southwest. (4160)



ABOVE: Hillside portion that was conveyed by Quit Claim Deed (north to south). (4161)



ABOVE: View from the north boundary looking easterly toward lake from top of bench. (4164)





ABOVE: View from north boundary looking southerly along the top of the bench (slope to left). (4165)



ABOVE: Same location on north boundary but looking more southwest. (4166)



ABOVE: Midway east to west looking west toward the northwest corner of lot. (4171)

## PROPERTY DESCRIPTION - BEFORE

**Land:** The chart below reflects the site characteristics as the vacant & unimproved cottage site.

Site Description	Location		Legal Description	
	NHN John Alden Road		Lot 4, Block 7, State Subdivision - Cove Replat	
Site Size (SF)	15,221	Square Feet	Lease No	
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Topography - Brief Description	Gentle/Level & Sloping			
Topography Narrative	The parcel has a level to gentle slope up from road to a bench that then slopes down toward the lake. The eastern portion of the lot has the primary slope down. The western portion of the lot has a slight upslope & undulations from John Alden Road. The site is at-grade with the existing road.			
Shape/Configuration-Brief	Mostly rectangular			
Shape/Configuration-Narrative	Parcel is shown as rectangular in shape with the western boundary being a diagonal length consistent with the curve of John Alden Road. The lot dimension is primarily 64.67' by 224.71' plus the triangular area to the west end of the lot. The rounded site size shown on the official plat of 0.35 acres was modified for a calculated site size for purposes of analysis. The calculated site size is 15,221 sq ft. which is 0.34943 acres. The official plat size was 0.35 acres +/-.			
Vegetative Cover	Parcel has a moderate tree cover with deciduous understory.			
Utilities	The site is serviced by electricity, telephone, public (community) sewer and private domestic well water will be required.			
Street Improvements	Davis Avenue, Lick Creek Road & Pilgrim Cove Road are paved & county maintained roads. Plymouth Road and John Alden Road are dirt & gravel roads which are maintained by the lots served by this roadway (local HOA).			
Zoning/Land Use	From review, it would appear that all leased lots defined by this contract are regulated by an R-4 zoning district. The subdivision plat filed in Valley County contains Conditions, Covenants & Restrictions, as more commonly known as CC&R's. This regulates the individual cottage site for a single-family residential use, no further subdivision of the lot, as set forth in that plat CC & R's. No more than one single-family dwelling unit and such associated accessory structures are allowed.			
Flood Hazard (Map Panel/Flood Risk)	1602200175A		Low Flood Risk	
Easements/Encroachments	The official plat does not show any easements nor does the inventory map show easements, driveways, etc. There are utility easements in John Alden Road. Access to the lot is direct from John Alden Road. There is assumed access to the community sewer service but the connection fee has not been paid (to my knowledge). There is no water well on the lot and it is assumed the lot will require a domestic water well be drilled for future use as a residential/recreational cabin site.			
The photos have shown a slightly upsloping lot from the at-grade topography at John Alden Road. The eastern portion of the lot forms a bench that drops in elevation towards the lake. This bench & moderately sloping area provides a limited view of the lake. With some tree removal, that view could be enhanced. The lot has moderate to dense conifer tree & deciduous brush cover. I have assumed there are no sub-surface water conditions that limit development of this lot. The most logical building site is toward the bench area that affords some limited views of the lake and places the improvements away from the roadway.				

**Improvements:** There are no improvements to consider and this is the valuation of the land, as vacant & unimproved.

## **HIGHEST AND BEST USE – BOTH BEFORE & AFTER**

The definition of Highest and Best Use has been provided within the sales catalog/project report. The land value is based on a premise of the Highest and Best Use of the property as though vacant and unimproved. There are four tests which are considered in developing an opinion as to the Highest and Best Use of the property. These four tests include an examination of uses that are **physically possible, legally permissible, financially feasible and maximally productive**. The most current version of USPAP requires additional consideration of 1.) The timing of that Use; 2.) the Most Likely Use; and 3.) the Most Likely Buyer of the Property.

There are five broad categories of land use that are considered within an opinion of highest and best use; these being residential, commercial, industrial, agricultural and recreational. Within the regional market, I have found it more prudent to begin the analysis with legally possible uses since this helps refine the analysis quickly and to the point. Since this appraisal is of the IDL Approved Improvements (Personal Property) and reflects improvements only, this section of the report will be brief as it relates to the underlying site.

***Legally Permissible:*** The subject site is zoned as R4 which is Residential, Four Dwelling Units Per Acre. This states “The R4 land use designation permits the development of low-density single-family residential neighborhoods. These neighborhoods would consist of larger home sites. The zone allows a maximum density of four (4) dwelling units per acre.” That is taken from Chapter 3 of the McCall area comprehensive plan which details the goals, objectives, actions and policies for the city’s residential areas.

All of the recorded IDL subdivision plats include Conditions, Covenants & Restrictions as part of the official plat. Specific to the subject site, these CC & R’s have identified Use Restrictions as Single-Family Residential Use with the following as specific language as “No Lot shall be occupied or used except for single-family residential purposes by the Owner, its family, and invitees, or by a single-family tenant. No more than one (1) Single-Family Dwelling and such accessory structures as are allowed by the County Code or City Code. Whichever may be applicable to the Lot, shall be allowed on any Lot. All decks placed on or appurtenant to a Lot shall be in accordance with applicable laws. An Owner may not assign or convey a right of use of a dock to anyone other than the docks permitted owners of record.” Further, no mobile homes are allowed but manufactured or modular homes on permanent foundation are allowed as long as there is compliance with minimum roof pitch and the improvement meets applicable building codes. There is a 50-foot setback from the high water mark (lake front) as well as 5’ side yard setbacks. In addition, there are some regulations pertaining to colors of roofing & siding materials, & exclusion of perimeter fencing.

The key points of the CC & R’s are the regulation of the cottage site to a single-family residential use. This does not specifically address seasonality issues but does address the primary recreational considerations of the lake front qualities and/or community lake access points, availability of services including but not limited to schools, medical & hospital services, daily needs shopping, churches & other social services, etc. It simply states the cottage site will be used for single-family residential use and only one single family dwelling with accessory buildings (garages and storage sheds). Given the regulatory imposition of these CC & R’s as fundamental to the allowable land uses (per the recording of the subject subdivision), it is my opinion the only applicable use for this cottage site is a single-family residential utility.

**Physically Possible:** The cottage site under study consists of the physically described property denoted in the Property Description. There are no known characteristics that would eliminate the legally identified use of the property. There has been a classification of the site qualities which includes size, water front, if any, topography, ground cover, access, soils (as pertinent primarily where the site might have development challenges due to rock outcroppings).

**Financially Feasible and Maximally Productive:** The zoning and the CC&R's clearly limit use to Single-Residential Unit together with any ancillary improvements such as garage, storage buildings, guest cabin, boathouse, etc. The site is physically capable of providing for that utility so the conclusion is simple. The highest and best use of the "vacant & unimproved cottage site is for a Single-Residential Unit & any ancillary structures consistent within that definition.

**Timing of Use:** The subject site is immediately available for its highest & best use pursuant to the Scope of Work and the condition as a "vacant & unimproved" cottage site. This recognizes the physical characteristics & qualities of the subject lot as described herein.

**Most Likely Use:** The most likely use has been addressed under financial feasibility and maximal productivity. The subject site has a highest & best use for a single residential unit together with typically expected ancillary improvements such as garage, guest quarters (cabin), storage sheds, dock improvements (if appropriate) & site improvements such as decks, patios, stairs/paths, etc.

**Who is the Most Likely Buyer:** The most likely buyer is a recreationist who desires the recreational attributes associated with Payette Lake, the McCall area and the other recreational qualities of this market. The Payette Lake market has a cross-over between year-round home ownership & the seasonal recreational user. Both compete for property on and around Payette Lake depending on their financial capabilities & their motivations. There is no "speculative" buyer that fits within the profile of "most likely buyer"; at least where I can find some measure. The most likely buyer is an owner/user; be it a year-round residential use or a seasonal recreational user.

### **THE APPRAISAL PROCESS**

The appraisal process was defined in the sales catalog so it will not be discussed again here. This is not an income property so the income approach is not relevant nor applicable. Although it is recognized the cabin site & improvements could be rented out, the primary economic motivation that exists is for owner occupancy and/or use so the income approach is not considered as evidence of current market value.

If the improvements are of relatively new construction, I will incorporate a cost approach within the appraisal. If, on the other hand, the improvements are old(er) and the market would clearly NOT rely on the cost approach, I will not present this valuation technique.

Consistent with market behavior, the appraisal of recreational property that is vacant & unimproved will be valued only using the sales comparison approach. Vacant land is not typically valued on the basis of rental income and capitalized into value. There are no improvements so the cost approach is not relevant. There are adequate sales of vacant land to allow the use of the sale comparison approach and this is given sole emphasis.

## **SALES COMPARISON APPROACH - BEFORE**

A definition of this approach was presented in the sales catalog/project report. It will not be presented again here. I direct the reader to a review of that document for the definition & discussion of this approach both in terms of general concepts and specific valuation issues pertinent to this appraisal.

Located on the following pages are the adjustment grids making direct comparison between the subject property and those sales most similar to the subject. The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined based on a secondary residential tract value represented by square foot pricing (\$/SF) and/or overall lot pricing.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via a sales comparison technique.

I have researched and used the following sales & listings as indications of value for the subject cottage site, as though vacant & unimproved. These sales are analyzed using the following adjustment grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction. They are individually presented in the sales catalog. The activity for vacant lake front lots has been very limited due to few vacant land parcels being available for sale. What was observed is a greater number of sales of older cabins that are purchased & the cabin is then demolished to make room for a much bigger & higher quality year-round recreational residence. As a result, what I have shown are the newer transactions that involved improved lake front property where the buyer, either immediately after closing the transaction or soon thereafter, removed the existing structural improvement to make room for a much-enhanced, year-round retreat. When it was very clear & convincing that the buyer acquired for the site value, I have allocated a value to the site development, much like the subject appraisals have been done. For sewer, water, driveway, retaining walls, seawalls, & dock improvements (boat house), I allocated an economic contribution and then deducted that amount to present a vacant & unimproved site value. When demolition costs are known or suspected to occur within a short time after the sale, I made an adjustment for the demolition costs.

The table immediately below is a summary of the newest transactional data to be employed in this appraisal and which is part of the Supplemental Sales Catalog done for this 2016/2017 VAFO cycle. The gray shaded sale has direct lake access issues and is not regarded as a primary sale indication. Further, SS NWL-B has now closed and that price is \$58,000 or \$5.28/SF.

Sale #	Location	Date	Price	Lot Size	Indication/SF
SS NWL-A	612 Thompson Ave	3/7/2016	\$54,000	12,000	\$4.50
SS NWL-B	911 Strawberry Lane	Pending	\$69,000	10,977	\$6.29
SS NWL-C	TBD Bellflower Place	11/13/2015	\$64,500	10,193	\$6.33
SS NWL-D	TBD Shady Lane Loop	10/20/2015	\$270,000	13,630	\$19.81
SS NWL-E	248 Ernesto Drive	10/29/2015	\$28,000	10,890	\$2.57
SS NWL-F	TBD Pilgrim Cove	10/14/2015	\$32,000	20,194	\$1.58
SS NWL-G	Lot 17 Cedar Lane	9/22/2015	\$103,000	17,424	\$5.91
SS NWL-H	1015 Violet Way	9/15/2015	\$57,000	16,553	\$3.44
SS NWL-I	309 Mountain Cove	8/25/2015	\$67,000	15,682	\$4.27
SS NWL-J	1607 Lawrence Drive	8/25/2015	\$29,500	18,295	\$1.61

### Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Conditions
- Location
- Physical Characteristics

### Comparable Land Sale Adjustments

Prior to beginning the actual analysis of the sales and how they compare to the subject property, it is necessary to properly review the components and characteristics of a sale and then how those relate to the property being appraised.

**Property Rights Sold:** The sales represent a fee simple conveyance where the transactions do not reflect unusual limitations to the private property rights associated with real estate ownership. The sales typically include utility easements where the easement is along a boundary line. There are no sales where an adjustment for property rights conveyed is necessary.

**Financing Terms:** The definition of market value requires the conclusion to represent a cash sale price or its' equivalent. There are many interpretations of what constitutes a cash sale but emphasis should be on cash equivalency. In simple terms, have financing conditions affected the price paid? If the terms did not influence price, then the sale is regarded as cash equivalent.

**Conditions of Sale:** This relates to the motivational influences of each sale. Specific to discussion are sales that had been influenced by an atypical condition represented by the seller or the buyer such as a distressed sale where the seller was required to sell or the buyer was required to buy, and price was influenced outside of the definitional character of market. Such has been the case in bank sales disposing of property acquired through foreclosure, pending bankruptcy sales, buyers requiring a 1031 exchange where time required concessions, etc.



The sales used are uninfluenced transactions relative to conditions of sale; seller and buyer not being under any undue influences to sell or purchase. Where a short sale or an REO property has been included, it is only to demonstrate market price brackets but is not relied upon as setting market value.

**Market Conditions:** This measurement reflects the change in price levels over time. There are two issues of some import that need to be discussed. The generic term here is a similar property type market change in prices being paid rather than a micro neighborhood influence that does not apply uniformly across the spectrum of property categories. It is my interpretation of the sales that a sale/resale of the same property will result in a more accurate assessment of property value changes that have occurred throughout the broad neighborhood for property of this cross section (land use/types). As noted by the supplemental sales catalog, there is an indication of market appreciation over the last year (2015 VAFO cycle) and the reliance on the newer sales does not require an adjustment for market condition but there are some examples of secondary lot appreciation such as the sale/re-sale of 612 Thompson Avenue. This recently sold 3/7/16 for \$54,000 while it was also shown previously as selling for \$40,000 on 9/25/13. That is 12.5% annual increase (monthly compound). The question raised by this example is simply one of representation. Did the earlier sale reflect a true market price or did it reflect a distressed price coming out of the recessionary period prior to the sale? Based on comparisons, I feel the answers is somewhere between these extreme views. Part of the new pricing is a catch-up and part is increasing demand. The sales used in this appraisal are felt to be current indicators and there is no requirement for a market condition adjustment for those sales emphasized.

**Location:** The sales are all located in the McCall area so a general location adjustment is not required. I have not found there to be a provable adjustment for location on the lake. When talking with buyers and brokers, there does not seem to be a premium to west side vs. east side. There does seem to be some location premium for land along Lake Street at the south end of the lake within the immediacy to the city center area (between Payette River and downtown) but not to other areas being appraised. No adjustment is made for location.

In the August 2015 valuations of secondary lots I presented discussion of additional features and factors affecting lot prices. There was some discussion, reflected by several listings, that implied a higher value for land in the Payette Lake Club but that includes a 200' sandy beach front area maintained for use of owner/members, dock &, in some cases, a boat slip, and manicured grounds (lawn, play areas), etc. The same is true of McCall Avenue, Shady Lane Loop (Shady Beach Community), East Lake, etc.

For purposes of valuation, I will not use location as an adjustment unless there is an issue with Payette Club Membership that is part of the sale price or there is direct influence to a common area & beach feature. According to two local brokers, the cost of a membership in the Payette Club was originally \$75,000 and the membership was appurtenant to the lot but only to the lot owner meaning a renter does not have legal right to use the beach, dock, etc. One broker stated the lots that are part of the Payette Club situated on the west side of Warren Wagon Road do not carry this same value as those between the lake and Warren Wagon Road.

The sale and listing suggest a value at something less than the original \$75,000 membership. As stated in the 2014 sales catalog, the (then) Sale #8 included 2 lots and 2 memberships with a total price paid of \$95,000 for these lots.



That is \$47,500 per lot and it becomes very obvious the memberships did not add \$75,000 per lot. There was a sale at 962 Cottonwood Street that was listed at \$160,000 and it sold 8/22/14 for \$150,000. Assuming the assigned boat slip added \$25,000 and the membership in the Payette Club was worth \$50,000 that means the lot was valued near \$75,000; that is a price for a 4,400 SF lot.

I have adjusted for lake access on the basis of interviews and comparison of previous VAFO auction prices vs. these city lots without a community beach access for the support. I was unable to prove there was a market adjustment for access to community beach(s) vs. lots in the Strawberry Lane and Cee Way areas but it is apparent some consideration is necessary when considering land sales on Boydston Lane (Loop), Thompson Lane and Wooley Lane. As such, I am subjectively inserting an adjustment for this feature of community beach access based on broker & agent comments made during the interview & confirmation process. The adjustment for land west of Warren Wagon Road vs. east of that road is reflected in this same adjustment since distance from an access point affects enjoyment (ease of access). The same considerations are pertinent to the Pilgrim Cove properties where they have a common area & beach access lot together with dock rights (dock rights are excluded from the lot valuation as that improvement was constructed by lessees and does not involve IDL).

As was done for previous years, I adjusted 20% for the community or common beach access points that the subject State Subdivisions have as a feature or amenity of these tracts. The recreational aspects of Spring Mountain Ranch and/or the golf course frontage are felt to be full offsets to the subject recreational lake access.

#### **Physical Characteristics:**

**Topography** is based on square footage of the site. All of the sales and the subject are regarded as usable sites that form the primary use as a single-family residential tract. Gentle to moderate topography are not considered significant differences and market evidence has not shown an adjustment to be necessary. When there is a situation that affects development due to limitations on usability or developability due to terrain/slope issues, an adjustment will be considered. For purposes of analysis, the primary emphasis will be to similar lot sales relative to topography so adjustment will not be necessary

**Frontage/Access** For this analysis, all of the sales have legal & physical access which is also identified for the subject site. These primary lake front lots are single-family residential and/or recreational tracts and frontage is an issue of greatest significance. As noted in size, the key component of a lake front tract is the amount of frontage to the lake; less so the topography issues. For the non-waterfront lots, frontage is not an element or characteristic of concern for value.

**Size Adjustment:** The next issue of significance relates to a size adjustment. Theory holds that a smaller parcel should sell for a higher unit price and conversely a larger tract should sell for a lower unit price. When a site is much larger than typical, I will emphasize both the "per lot price" and the "per square foot price". When the lot size is fairly consistent between the subject and the lot sales, no adjustment for size will be made. The key here is the reliance on sales that most closely relate to the subject for both topography & size.

Consistent with what was shown in the August 2015 valuation, the subject and the sales consulted reflect a single-family lot. Size is a value factor only to the extent it provides for that primary use as a single-family lot but also the additional features that larger size might add. In most cases, the lots are similar in size. In the Payette Lake Club, the lot size is very small and it offers community facilities including tennis court, developed beach front area, non-commercial marina with a dedicated boat slip, etc. That means it is very difficult to compare directly to the subject lot(s) by virtue of those differences. Most lots are viewed in terms of overall lot price and price per sq.ft. Where the unit price for a larger tract suggests a lower unit price, an adjustment for size will be incorporated. Otherwise, primary influence is derived from similarly sized tracts.

What I have done is adjust for size on the basis of 20% price difference for lots from 10,000 SF to 20,000 SF. If the lot being appraised is 14,000 to 16,000 SF, I adjusted 10% for size. For the Payette Lake Club sale that closed at \$150,000, the small size of 4,400 SF is adjusted 40% for size based on this being a single residential building site together with all the common area. This is shown as a quantified adjustment but I have little to no direct market support for the adjustment other than a comparison of this sized site (4,400 SF) compared to the other Payette Lake Club sale but that involved two lots. These share the same location, membership in the club and topography but one included two lots and two memberships selling for \$95,000 in 2013 and the other is a single lot with membership AND a dedicated boat slip, that just closed in August of 2014 for \$150,000.

The implication from my review of all (of) these sales is a size adjustment is necessary when considering 10,000 SF +/- site size compared to the subject size. (Cee Way vs. Strawberry were same price but different sizes so different unit prices (12,000 SF @ \$4.58/SF vs. 10,019 SF @ \$5.49/SF shows 20% increase for size), all else was felt to be equal. Comparing sales found in the 2014 sales catalog, Sale #3 vs. Sale #9 had reflected a 12,188 SF lot selling for \$3.45/SF vs. a 19,541 SF lot selling for \$2.53/SF; same subdivision & amenities. That reflects a unit price difference of 36% if no market condition adjustment were considered.

Overall, I have based an adjustment for size at 40% for very small lots in Payette Club of 4,400 sq.ft. For lot differences in the 10,000 SF to 20,000 SF range, I employed a 20% adjustment. Since there are a number of lots that fit within that bracket, I further refined this when comparing 14,000 SF to 16,000 SF lots to either smaller tracts or larger tracts. For comparison between 10,000 SF and 15,000 SF, I used a 10% adjustment. The same is true of a 15,000 SF lot vs. a 20,000 SF lot. For lots larger than 20,000 SF, I will discuss the adjustment.

**Utilities:** The utilities adjustment is based on the cost to obtain the service. I have researched the cost of sewer connection, water connection or well drilling & completion costs as the primary value impacts. The cost for sewer connection was \$5,200 in the City of McCall service area. For the Payette Lake Sewer District, the cost to connect was \$7,000. For water, the City of McCall charges \$4,400. The cost of a water well is based on depth (\$32 to \$37 per lineal foot) plus steel casing, seals, permits, screens, pump & electrical as well as service line from well to dwelling. The cost of a well is a minimum \$3,200 and, depending on depth and water quality, the cost could exceed \$10,000+. The adjustment for sewer is taken at City vs. Payette Lake Sewer based on the cost to connect (\$5,200 to \$7,000). Water is based on a well cost assuming a lump sum addition of \$5,000, regardless of cost (as stated in the sales catalog). Community water is shown at \$4,400 per connection.

What will be shown is that almost all of these sales have ACCESS or AVAILABILITY to water and/or sewer but these were not paid for or connected prior to sale or, if the lots were previously developed, the sewer & water (mostly well water) is already part of the lot price but, as will be noted, an adjustment has been made for the existing site improvements (reflecting the price less improvements). As a result, they are similar to the subject lot for availability to these services so no adjustment is made.

**Sales Discussion & Analysis:** The November 2015 VAFO transactions are shown in the table below. These are the price points identified by the various neighborhoods in and around Payette Lake & where the subject property being appraised is also located (east side or west side locations).

November 2015 VAFO Auction Sales						
Item #	Leased Lot Identification	Land Only	Bid Amount	Lot Size	\$ / SF	Sold \$/SF
A	2016 John Alden Road	\$55,000	\$55,000	12,902	\$4.26	\$4.26
B	996 Happy Day Way	\$67,000	\$67,000	16,805	\$3.99	\$3.99
C	2255 Tamarack Road	\$60,000	\$60,000	15,072	\$3.98	\$3.98
D	955 Pine Haven Place	\$60,000	\$91,000	14,954	\$4.01	\$6.09
E	2230 Tamarack Road	\$61,000	\$61,000	16,095	\$3.79	\$3.79
F	2052 Ferndale Way	\$59,000	\$59,000	14,815	\$3.98	\$3.98
G	2023 John Alden Road	\$52,000	\$52,000	12,210	\$4.26	\$4.26
H	2064 John Alden Road	\$53,000	\$53,000	12,554	\$4.22	\$4.22
I	2057 Warren Wagon Road	\$60,000	\$60,000	14,976	\$4.01	\$4.01
J	965 Wagon Wheel Road	\$83,000	\$83,000	30,810	\$2.69	\$2.69
K	2043 Ferndale Way	\$64,000	\$64,000	16,117	\$3.97	\$3.97
L	1087 Mayflower Lane	\$40,000	\$51,000	9,479	\$4.22	\$5.38
M	2205 Payette Drive	\$71,000	\$71,000	19,001	\$3.74	\$3.74
N	1911 Warren Wagon Road	\$57,000	\$57,000	16,095	\$3.54	\$3.54
O	990 Pine Haven Place	\$60,000	\$0	14,967	\$4.01	\$0.00
			Mean	\$63,143	\$15,849	\$3.90
			Median	\$60,000	\$14,976	\$3.99

I want to make one very specific note regarding these latest sales. There was no lessee for Item L which is 1087 Mayflower Lane. This property sold previously and for whatever reason, it was again part of the IDL auction. The previous sale was for \$25,000. This lot was appraised for \$40,000 and it was competitively bid to \$51,000. There is a clear indication of recreational demand for secondary lots. A local broker stated the inclusion in the common area (lake front common area) that gives every lot a right to use lake front in this common area with community dock potential, is a key component of pricing. This broker was not at all surprised this was competitively bid up to this price level. In fact, he argued it could have been higher.

The next table is a summary of the previous VAFO results & which were reflective of 2013 and 2014 sales/market trends.

January 2015 VAFO Auction					
Item #	Leased Lot Identification	Land Only	Bid Amount	Lot Size	\$ / SF
6	1060 Plymouth Road	\$64,000	\$64,000	19,114	\$3.35
7	2280 Lovers Lane	\$58,000	\$58,000	16,705	\$3.47
8	950 Chipmunk Trail	\$56,000	\$64,000	14,889	\$3.76
9	2142 Warren Wagon Road	\$53,000	\$53,000	14,410	\$3.68
10	1032 Plymouth Road	\$53,000	\$53,000	14,810	\$3.58
11	2042 Ferndale Way	\$52,000	\$52,000	14,924	\$3.48
12	2078 Warren Wagon Road	\$49,000	\$49,000	12,458	\$3.93
13	2060 John Alden Road	\$48,000	\$48,000	12,018	\$3.99
16	2047 Ferndale Way	\$49,000	\$111,000	13,856	\$3.54
17	990 Pine Haven Place	\$55,000	No Sale	14,967	\$3.67
24	1089 Plymouth Road	\$68,000	\$68,000	21,453	\$3.17
25	2212 Warren Wagon Road	\$66,000	\$66,000	21,549	\$3.06
26	2050 Warren Wagon Road	\$62,000	\$62,000	19,162	\$3.24
27	1058 Plymouth Road	\$61,000	\$61,000	16,531	\$3.69
28	2270 Lovers Lane	\$59,000	\$59,000	16,483	\$3.58
29	2269 Tamarack Road	\$58,000	\$58,000	16,518	\$3.51
30	2276 Lovers Lane	\$57,000	\$57,000	16,161	\$3.53
31	980 Spruce Way	\$53,000	\$53,000	15,085	\$3.51
32	2040 Warren Wagon Road	\$50,000	\$50,000	13,225	\$3.78
33	1083 Mayflower Lane	\$40,000	\$40,000	10,080	\$3.97
35	1911 Warren Wagon Road	\$50,000	No Sale	16,095	\$3.11
		Mean	\$56,000	15,738	\$3.55
		Median	\$57,000	15,085	\$3.54

The VAFO cycles have shown mean and median indications that have appreciated in price levels over time. This is consistent with what I have seen in the sale/re-sale of 612 Thompson Avenue as well as 911 Strawberry Lane that is a pending sale showing a list price of \$69,000 vs. previous sales on Strawberry Lane (907 sold 5/26/11 for \$50,000 & 903 sold 5/26/13 for \$55,000 with both in the 10,000 SF to 11,000 SF size bracket). The sale at 911 Strawberry Lane has now closed and it sold for \$58,000 or \$5.28/SF.

Finally, I have presented the August 2015 sales catalog table of land sales for ease of reference and for consideration in the value opinion being expressed herein.

Sale #	Location	Date	Price	Lot Size	Indication/SF
1	620 Lenora Street	7/17/2015	\$79,000	9,060	\$8.72
2	1464 Mountain Meadow Dr.	5/15/2015	\$58,000	19,768	\$2.93
3	1130 Majestic View Dr.	5/4/2015	\$40,000	11,021	\$3.63
4	Lot 17 Woodlands Dr.	3/30/2015	\$34,000	11,064	\$3.07
5	1412 Boydston Loop	3/6/2015	\$39,000	18,426	\$2.12
6	1645 Timber Circle	1/27/2015	\$37,000	10,507	\$3.52
7	1612 Timber Circle	10/10/2014	\$65,000	8,947	\$7.27
8	TBD Spruce Ln & Louisa Ave	10/8/2014	\$50,000	7,320	\$6.83
9	331 Rio Vista Blvd	8/6/2014	\$82,500	23,784	\$3.47
10	962 Cottonwood Street	8/22/2014	\$150,000	4,400	\$34.09
11	1021 Cee Way	7/9/2014	\$55,000	12,006	\$4.58
12	1414 Boydston Loop	7/3/2014	\$38,000	19,907	\$1.91
13	640 Woodland Drive	6/12/2014	\$42,000	12,188	\$3.45
14	1785 Warren Wagon Road	4/23/2014	\$60,000	18,765	\$3.20
15	1509 McCall Avenue	3/11/2014	\$235,000	31,799	\$7.39
16	Lot 15 McCall Avenue	10/17/2013	\$215,000	30,660	\$7.01
17	612 Thompson Avenue	9/25/2013	\$40,000	12,000	\$3.33
18	Meadows Road	7/15/2013	\$70,000	43,560	\$1.61
19	805 Wooley Avenue	7/2/2013	\$27,500	10,716	\$2.57
20	903 Strawberry Lane	5/26/2013	\$55,000	10,000	\$5.50
21	Lots 13&14, Brooklawn St	5/16/2013	\$95,000	10,803	\$8.79
22	664 Douglas Drive	3/18/2013	\$49,500	19,531	\$2.53
23	1304 Louisa Avenue	9/10/2012	\$55,000	7,405	\$7.43
24	TBD Hays Street	9/7/2012	\$42,000	19,602	\$2.14
25	1302 Louisa Avenue	8/27/2012	\$50,000	7,405	\$6.75
26	504 Hill Lane	8/7/2012	\$54,500	10,058	\$5.42
27	1589 Lakeridge Drive	7/9/2012	\$40,000	41,212	\$0.97
28	213 Hewitt Street	6/25/2012	\$24,600	12,720	\$1.93
29	308 Forest Street	4/6/2012	\$35,100	14,070	\$2.49
30	Lot 21 Koski Dr (Woodland Sub)	9/9/2011	\$33,000	11,516	\$2.87
31	907 Strawberry Lane	5/26/2011	\$50,000	10,969	\$4.56
32	Lot 5 Boydston Lane	2/21/2011	\$25,500	22,177	\$1.15
33	Lot 4 Boydston Lane	11/3/2010	\$25,500	11,718	\$2.18
List F	916 Camas Place	Listing	\$75,000	10,890	\$6.89

Shaded have com. beach/dock

Located on the following pages are the sales comparison grids displaying the subject property, the comparable sales and the adjustments applied to provide evidence of current market value for the "vacant & unimproved" lot.

Categories	Subject Property	SS NWL - A	Adjustments	SS NWL - B	Adjustments	SS NWL - C	Adjustments	SS NWL - H	Adjustments	SS NWL - I	Adjustments
Address/Sale Price		612 Thompson Ave	\$54,000	911 Strawberry Lane	\$58,000	TBD Bellflower Pl.	\$64,500	1015 Violet Way	\$57,000	309 Mountain Cove	\$67,000
Property Rights Conveyed	Fee Simple	Fee Simple	\$0	Fee Simple	\$0	Fee Simple	\$0	Fee Simple	\$0	Fee Simple	\$0
Financing Terms	Cash	Cash	\$0	Cash	\$0	Cash	\$0	Cash	\$0	Cash	\$0
Conditions of Sale	Market	Market	\$0	Market	\$0	Market	\$0	Market	\$0	Market	\$0
Expenditures Made Immediate to Sale	N/A	None	\$0	None	\$0	None	\$0	None	\$0	None	\$0
Sale Date/Market Conditions	3/1/2016	3/17/2016	\$0	4/22/2016	\$0.00	11/13/2015	\$0.00	9/15/2015	\$0	8/25/2015	\$0
Adjusted Sale Price	TBD		\$54,000		\$58,000		\$64,500		\$57,000		\$67,000
Adjusted Price \$ / SF	TBD		\$4.50		\$5.28		\$6.33		\$3.44		\$4.27
Adjustments:											
Location	Payette Lake	Mc Call Area	\$0.00	Mc Call Area	\$0.00	Mc Call Area	\$0.00	Mc Call Area	\$0.00	Mc Call Area	\$0.00
Size (SF)	15,221	12,000	-\$0.23	10,977	-\$0.53	10,193	-\$0.63	16,553	\$0.17	15,682	\$0.00
Topography	Gentle Sloping	Gentle Slope/Treed	\$0.00	Mostly level/Treed	\$0.00	Lvl-Upslope/Treed	\$0.00	Mostly level/Treed	\$0.00	Level/Open	\$0.00
Shape/Configuration	Mostly rectangular	Rectangular	\$0.00	Rectangular	\$0.00	Mostly Rectangular	\$0.00	Rectangular	\$0.00	Irregular	\$0.00
Utilities	Elec./Phone	All City Services	-\$1.00	All City Services	-\$1.09	All City Services	-\$1.18	All City Services	-\$0.72	All City Services	-\$0.77
Zoning or Land Use Regulations	R-4	R-4	\$0.00	R-4	\$0.00	R-4	\$0.00	R-4	\$0.00	R-4	\$0.00
Common Area Improvements	Lake Access	None	\$0.90	None	\$1.06	Spring Mtn Ranch Am.	Offset	Spring Mtn Ranch Am.	Offset	Spring Mtn. Ranch Am.	Offset
Net Adjustments			-\$0.33		-\$0.56		-\$1.81		-\$0.55		-\$0.77
Indicated Value (\$/SF)			\$4.18		\$4.72		\$4.52		\$2.90		\$3.50
Implied Subject Value			\$63,548		\$71,876		\$68,724		\$44,075		\$53,310

Categories	Subject Property	NWFL Land #1	Adjustments	NWFL Land #4	Adjustments	NWFL Land #5	Adjustments	NWFL Land #7	Adjustments	NWFL Land #9	Adjustments
Address/Sale Price		620 Lenora	\$79,000	903 Strawberry	\$55,000	1612 Timber Circle	\$65,000	1021 Cee Way	\$55,000	1785 Warren Wagon	\$60,000
Property Rights Conveyed	Fee Simple	Fee Simple	\$0	Fee Simple	0	Fee Simple	\$0	Fee Simple	\$0	Fee Simple	\$0
Financing Terms	Cash	Cash	\$0	Cash	0	Cash	\$0	Cash	\$0	Cash	\$0
Conditions of Sale	Market	Market	\$0	Market	0	Market	\$0	Market	\$0	Market	\$0
Expenditures Made Immediate to Sale	N/A	None	\$0	None	\$0	None	\$0	None	\$0	None	\$0
Sale Date/Market Conditions	3/1/2016	7/17/2015	\$0	5/26/2013	0	10/10/2014	\$0	7/9/2014	\$0	4/23/2014	\$0
Adjusted Sale Price	TBD		\$79,000		\$55,000		\$65,000		\$55,000		\$60,000
Adjusted Price \$/ SF	TBD		\$8.72		\$5.49		\$7.27		\$4.58		\$3.20
Adjustments:											
Location	Payette Lake	Mc Call Area	\$0.00	Mc Call Area	\$0.00	Mc Call Area	\$0.00	Mc Call Area	\$0.00	Mc Call Area	\$0.00
Size (SF)	15,221	9,060	-\$1.31	10,019	-\$0.55	8,947	-\$1.45	12,006	-\$0.23	18,765	\$0.32
Topography	Gentle/Sloping	Sloped/Treed	\$0.00	Level/Grassy-Treed	\$0.00	Mostly level/Treed	\$0.00	Level/Grassy-Treed	\$0.00	Level/Treed	\$0.00
Shape/Configuration	Mostly rectangular	Rectangular	\$0.00	Mostly rectangular	\$0.00	Rectangular	\$0.00	Rectangular	\$0.00	Rectangular	\$0.00
Utilities	Elec./Phone	All City Services	-\$1.32	All City Services	-\$1.20	All City Services	-\$1.34	All City Services	-\$1.00	Needs well/PLSWD	\$0.00
Zoning or Land Use Regulations	R-4	R-4	\$0.00	R-4	\$0.00	R-4	\$0.00	R-4	\$0.00	R-4	\$0.00
Common Area Improvements	Lake Access	Fenced/City Core	Offsets	None	\$1.10	Golf Course Frontage	Offsets	None	\$0.92	None	\$0.64
Net Adjustments			-\$2.63		-\$0.65		-\$2.79		-\$0.31		\$0.96
Indicated Value/SF (\$/SF)			\$6.09		\$4.84		\$4.47		\$4.27		\$4.16
Implied Subject Value			\$92,722		\$73,647		\$68,068		\$64,966		\$63,269

The sales utilized have shown the following as the actual sale indication as well as the adjusted price per front foot for the subject indication of value. From this data I have derived from my opinion of current market value for the subject cottage site.

Sale #	Square Foot	\$ / SF @ Sale	Adjusted \$/SF
SS NWL - A	12,000	\$4.50	\$4.18
SS NWL - B	10,977	\$5.28	\$4.72
SS NWL - C	10,193	\$6.33	\$4.52
SS NWL - H	16,553	\$3.44	\$2.90
SS NWL - I	15,682	\$4.27	\$3.50
NWF Land #1	9,060	\$8.72	\$6.09
NWL Land #4	10,019	\$5.49	\$4.84
NWF Land #5	8,947	\$7.27	\$4.47
NWF Land #7	12,006	\$4.58	\$4.27
NWF Land #9	18,765	\$3.20	\$4.16
Mayflower	9480	5.38	\$4.57
Mean			<b>\$4.38</b>
Median			<b>\$4.47</b>

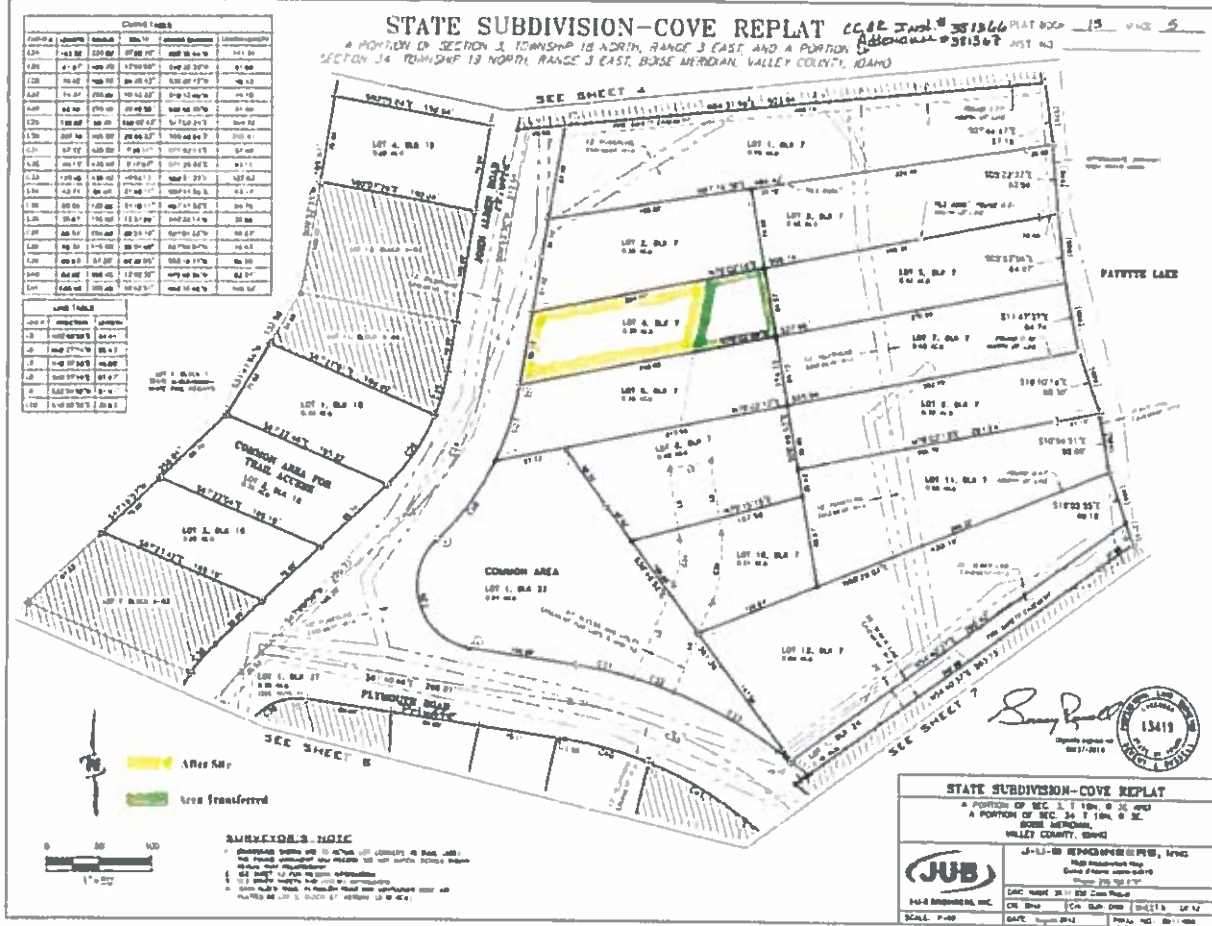
Considering the physical characteristics of the subject lot, recognizing the size, topography of the site & all other physical elements or characteristics, it is my opinion the mean indication should be emphasized. The mean from all sales reflects a unit value of \$4.38/SF without concern for what I believe is an outlier or an atypical sale indication for the subject lot. That is Sale #1 located on Lenora St. that is near downtown McCall. Sale #H on Violet Way is also considered an outlier. Finally, I also considered the VAFO sale on Mayflower Lane to be of significance and that, after adjustment for size reflected \$4.57/SF. Without the two outliers (Land Sale #1 & Sale #H) and including the Mayflower VAFO sale the adjusted mean is \$4.36/SF while strong emphasis for the Mayflower sale suggests a higher value at \$4.57/SF. It is my opinion this lot has a unit value \$4.40/SF giving weight to the mean of all sales with additional emphasis to the Mayflower sale. Applying this unit value to the subject lot size of 15,221 SF results in a "vacant & unimproved" lot value as noted below.

**Before Valuation:** Based upon my investigations, studies and analyses, it is my opinion the **market value of the subject property defined herein as the "Vacant & Unimproved" cottage site**, reflecting the extraordinary assumption the Quit Claim deed was not filed and the original plat is the site size & dimensions of this "Vacant & Unimproved" condition, as of March 1, 2016, was:

**Sixty Seven Thousand Dollars**  
**\$67,000**



**PARCEL MAP – AFTER**



## PROPERTY DESCRIPTION - AFTER

**Land:** The chart below reflects the site characteristics as the vacant & unimproved cottage site BUT BASED ON THE EXCLUSION OF THE AREA TRANSFERRED BY QUIT CLAIM DEED.

Site Description	Location		Legal Description
	NHN John Alden Road		Lot 4, Block 7, State Subdivision - Cove Replat
Site Size (SF)	10,663	Square Feet	Lease No
Site Size (Ac.)	0.2448	Acre	No Specific Reference
Road Frontage/Access	Private road access is maintained by Homeowner Association(s), commonly stated as an HOA. Access to the private road(s) is via public road which is Davis Avenue to Lick Creek Road to Pilgrim Cove Road to the private roads of Plymouth Road & John Alden Road. Subject is located on John Alden Road.		
Topography - Brief Description	Gentle/Level & Sloping		
Topography Narrative	The parcel has a level to gentle slope up from road to a bench that then slopes down toward the lake. The eastern portion of the lot has the primary slope down. The western portion of the lot has a slight upslope & undulations from John Alden Road. The site is at-grade with the existing road.		
Shape/Configuration-Brief	Trapezoidal		
Shape/Configuration-Narrative	Parcel is irregular in shape with the east boundary diagonal and forming a basic parallelogram. The lot dimension is primarily 64.67 by 164.9' (which directly confirms the site size estimated of 10,663 SF). The official recorded plat shows a site size of 0.35 acres +/- which was more precisely calculated to be 15,221 sq ft (0.34943 acres). The Area Transferred by the Quit Claim Deed was specifically stated to be 4,558 sq ft (again it was rounded to 0.10 acres while the precise indication was 0.10464).		
Vegetative Cover	Parcel has a moderate tree cover with deciduous understory.		
Utilities	The site is serviced by electricity, telephone, public (community) sewer and private domestic well water will be required.		
Street Improvements	Davis Avenue, Lick Creek Road & Pilgrim Cove Road are paved & county maintained roads. Plymouth Road and John Alden Road are dirt & gravel roads which are maintained by the lots served by this roadway (local HOA).		
Zoning/Land Use	From review, it would appear that all leased lots defined by this contract are regulated by an R-4 zoning district. The subdivision plat filed in Valley County contains Conditions, Covenants & Restrictions, as more commonly known as CC&R's. This regulates the individual cottage site for a single-family residential use, no further subdivision of the lot, as set forth in that plat CC & R's. No more than one single-family dwelling unit and such associated accessory structures are allowed.		
Flood Hazard (Map Panel/Flood Risk)	1602200175A		Low Flood Risk
Easements/Encroachments	The official plat does not show any easements nor does the inventory map show easements, driveways, etc. There are utility easements in John Alden Road. Access to the lot is direct from John Alden Road. There is assumed access to the community sewer service but the connection fee has not been paid (to my knowledge). There is no water well on the lot and it is assumed the lot will require a domestic water well be drilled for future use as a residential/recreational cabin site.		
The photos have shown a slightly upsloping lot from the at-grade topography at John Alden Road. The eastern portion of the lot forms a bench that drops in elevation towards the lake. This bench & moderately sloping area provides the site with its limited view of the lake. With some tree removal, that view could be enhanced. The lot has moderate to dense conifer tree & deciduous brush cover. I have assumed there are no sub-surface water conditions that limit development of this lot. The most logical building site is toward the bench area that affords some limited views of the lake and places the improvements away from the roadway.			

**Improvements:** There are no improvements to consider and this is the valuation of the land, as vacant & unimproved, the same as was considered in the Before analysis.

The highest and best use of this site has not changed in the After condition. The site remains a buildable lot but the size is diminished. The basic physical elements of the property remain the same although the ability to capture lake views may be more limited in the after condition.

I have been unable to prove a specific adjustment for view so whatever contribution the view had in the Before condition, that value remains in the After condition. All other physical characteristics of the site firmly support the conclusion of highest and best use in both the Before and After analysis to be the same. The conclusion is for a single residential dwelling unit and the site size shown here is adequate for secondary lots in both the general McCall area as well as being consistent with the local Cove Replat Subdivision.

#### **SALES COMPARISON APPROACH - AFTER**

The sales used for this opinion of value, in the After condition, are the same but the size adjustment is presented differently based on the revised site size which excludes the Area Transferred by the Quit Claim Deed. In this situation, the subject is estimated to contain a total building size of 10,663 sq.ft. (0.2448 acres +/-).

Located on the following pages are the grid adjustments for this revised property size using the same sales that formed the basis of the opinion in the Before condition.

Categories	Subject Property	SS NWL - A	Adjustments	SS NWL - B	Adjustments	SS NWL - C	Adjustments	SS NWL - H	Adjustments	SS NWL - I	Adjustments
Address/Sale Price		612 Thompson Ave	\$54,000	911 Strawberry Lane	\$58,000	TBD Bellflower Pl.	\$64,500	1015 Violet Way	\$57,000	309 Mountain Cove	\$67,000
Property Rights Conveyed	Fee Simple	Fee Simple	\$0	Fee Simple	\$0	Fee Simple	\$0	Fee Simple	\$0	Fee Simple	\$0
Financing Terms	Cash	Cash	\$0	Cash	\$0	Cash	\$0	Cash	\$0	Cash	\$0
Conditions of Sale	Market	Market	\$0	Market	\$0	Market	\$0	Market	\$0	Market	\$0
Expenditures Made Immediate to Sale	N/A	None	\$0	None	\$0	None	\$0	None	\$0	None	\$0
Sale Date/Market Conditions	3/1/2016	3/17/2016	\$0	4/22/2016	\$0	11/13/2015	\$0	9/15/2015	\$0	8/25/2015	\$0
Adjusted Sale Price	TBD		\$54,000		\$58,000		\$64,500		\$57,000		\$67,000
Adjusted Price \$ / SF	TBD		\$4.50		\$5.28		\$6.33		\$3.44		\$4.27
Adjustments:											
Location	Payette Lake	Mc Call Area	\$0.00	Mc Call Area	\$0.00	Mc Call Area	\$0.00	Mc Call Area	\$0.00	Mc Call Area	\$0.00
Size (SF)	10,663	12,000	\$0.23	10,977	\$0.00	10,193	\$0.00	16,553	\$0.52	15,682	\$0.64
Topography	Gentle/Sloping	Gentle Slope/Treed	\$0.00	Mostly level/Treed	\$0.00	Lvl-Upslope/Treed	\$0.00	Mostly level/Treed	\$0.00	Level/Open	\$0.00
Shape/Configuration	Mostly rectangular	Rectangular	\$0.00	Rectangular	\$0.00	Mostly Rectangular	\$0.00	Rectangular	\$0.00	Irregular	\$0.00
Utilities	Elec/Phone	All City Services	-\$1.00	All City Services	-\$1.09	All City Services	-\$1.18	All City Services	-\$0.72	All City Services	-\$0.77
Zoning or Land Use Regulations	R-4	R-4	\$0.00	R-4	\$0.00	R-4	\$0.00	R-4	\$0.00	R-4	\$0.00
Common Area Improvements	Lake Access	None	\$0.90	None	\$1.06	Spring Mtn Ranch Am.	Offset	Spring Mtn Ranch Am.	Offset	Spring Mtn Ranch Am.	Offset
Net Adjustments			\$0.13		-\$0.03		-\$1.18		-\$0.20		-\$0.13
Indicated Value/SF (\$/SF)			\$4.63		\$5.25		\$5.15		\$3.24		\$4.14
Implied Subject Value			\$49,316		\$55,986		\$54,892		\$34,548		\$44,180

Categories	Subject Property	NWFLand #1	Adjustments	NWFLand #4	Adjustments	NWFLand #5	Adjustments	NWFLand #7	Adjustments	NWFLand #9	Adjustments
Address/Sale Price		620 Lenora	\$79,000	903 Strawberry	\$55,000	1612 Timber Circle	\$65,000	1021 Cee Way	\$55,000	1785 Warren Wagon	\$60,000
Property Rights Conveyed	Fee Simple	Fee Simple	\$0	Fee Simple	0	Fee Simple	\$0	Fee Simple	\$0	Fee Simple	\$0
Financing Terms	Cash	Cash	\$0	Cash	0	Cash	\$0	Cash	\$0	Cash	\$0
Conditions of Sale	Market	Market	\$0	Market	0	Market	\$0	Market	\$0	Market	\$0
Expenditures Made Immediate to Sale	N/A	None	\$0	None	\$0	None	\$0	None	\$0	None	\$0
Sale Date/Market Conditions	3/1/2016	7/17/2015	\$0	5/26/2013	0	10/10/2014	\$0	7/9/2014	\$0	4/23/2014	\$0
Adjusted Sale Price	TBD		\$79,000		\$55,000		\$65,000		\$55,000		\$60,000
Adjusted Price \$/SF	TBD		\$8.72		\$5.49		\$7.27		\$4.58		\$3.20
Adjustments:											
Location	Payette Lake	McCall Area	\$0.00	McCall Area	\$0.00	McCall Area	\$0.00	McCall Area	\$0.00	McCall Area	\$0.00
Size (SF)	10,663	9,060	-\$0.44	10,019	\$0.00	8,947	-\$0.73	12,006	\$0.46	18,765	\$0.64
Topography	Gentle/Sloping	Sloped/Treed	\$0.00	Level/Grassy - Treed	\$0.00	Mostly level/Treed	\$0.00	Level/Grassy - Treed	\$0.00	Level/Treed	\$0.00
Shape/Configuration	Mostly rectangular	Rectangular	\$0.00	Mostly rectangular	\$0.00	Rectangular	\$0.00	Rectangular	\$0.00	Rectangular	\$0.00
Utilities	Elec./Phone	All City Services	-\$1.32	All City Services	-\$1.20	All City Services	-\$1.34	All City Services	-\$1.00	Needs well/PLSWD	\$0.00
Zoning or Land Use Regulations	R-4	R-4	\$0.00	R-4	\$0.00	R-4	\$0.00	R-4	\$0.00	R-4	\$0.00
Common Area Improvements	Lake Access	Fenced/City Core	Offsets	None	\$1.10	Golf Course Frontage	Offsets	None	\$0.92	None	\$0.64
Net Adjustments			-\$1.76		-\$0.10		-\$2.07		\$0.37		\$1.28
Indicated Value \$/SF (\$/SF)			\$6.96		\$5.39		\$5.20		\$4.96		\$4.48
Implied Subject Value			\$74,254		\$57,447		\$55,432		\$52,839		\$47,732

The sales utilized have shown the following as the actual sale indication as well as the adjusted price per front foot for the subject indication of value. From this data I have derived from my opinion of current market value for the subject cottage site.

Sale #	Square Foot	\$ / SF @ Sale	Adjusted \$/SF
SS NWL - A	12,000	\$4.50	\$4.63
SS NWL - B	10,977	\$5.28	\$5.25
SS NWL - C	10,193	\$6.33	\$5.15
SS NWL - H	16,553	\$3.44	\$3.24
SS NWL - I	15,682	\$4.27	\$4.14
NWF Land #1	9,060	\$8.72	\$6.96
NWL Land #4	10,019	\$5.49	\$5.39
NWF Land #5	8,947	\$7.27	\$5.20
NWF Land #7	12,006	\$4.58	\$4.96
NWF Land #9	18,765	\$3.20	\$4.48
May flower	9,480	5.38	\$5.11
Mean			<b>\$4.95</b>
Median			\$5.11

Considering the physical characteristics of the subject lot, recognizing the size, topography of the site & all other physical elements or characteristics, it is my opinion the mean indication should be emphasized. The mean from all sales reflects a unit value of \$4.95/SF without concern for what I believe is an outlier or an atypical sale indication for the subject lot. That is Sale #I located on Lenora St. that is near downtown McCall. Sale #H on Violet Way is also considered an outlier. Finally, I also considered the VAFO sale on Mayflower Lane to be of significance and that, after adjustment for size reflected \$5.11/SF. Without the two outliers (Land Sale #I & Sale #H) and including the Mayflower VAFO sale the adjusted mean is \$4.92/SF while strong emphasis for the Mayflower sale suggests a higher value at \$5.11/SF.

It is my opinion this lot has a unit value \$5.20/SF based on an emphasis to SS NWL-B, the VAFO sale on Mayflower, and NWF-land #4, #5 & #7 which indicated a range of \$4.96/SF to \$5.39/SF and a mean of \$5.18/SF. Applying this unit value of \$5.20/SF to the subject lot size of 10,663 SF results in a "vacant & unimproved" lot value as noted below.

**After Valuation:** Based upon my investigations, studies and analyses, it is my opinion the **market value of the subject property defined herein as the "Vacant & Unimproved" cottage site,** reflecting the extraordinary assumption the Quit Claim deed has been filed and the original plat was modified to reflect this adjusted site size & dimensions of this "Vacant & Unimproved" condition, as of March 1, 2016, was:

**Fifty Five Thousand Four Hundred Dollars**

**\$55,400**

### **FINAL RECONCILIATION – BEFORE & AFTER ANALYSIS**

In this appraisal, I have incorporated only a sales comparison approach since this is vacant land. The scope of work requires that I address the value of the lot, Before, based on the extraordinary assumption that the Quit Claim Deed transferring a part of this lot to an adjacent owner, had not occurred. This is a condition of the appraisal that could be termed an extraordinary assumption or a hypothetical condition. In either case, I am assuming the recorded plat is the actual size of the lot and this Before valuation addresses that size and dimension. As there is only one approach used, there is no requirement to reconcile the value indication.

For the After analysis, I am providing a value opinion of the revised lot size based on the recognition of the Area Transferred requiring a modification of site size & dimensions. Again, there is only the sales comparison approach used and no reconciliation is required.

Finally, the purpose of the appraisal is to demonstrate a market value for the Area Transferred. That is the difference between the Before and After analyses. That is shown in the Final Opinion of Value for the Area Transferred.

<b>Before Valuation</b>	<b>\$67,000</b>
<b>After Valuation</b>	<b><u>\$55,400</u></b>
<b>Value of the Area Transferred</b>	<b>\$11,600</b>

## **VALUE ESTIMATE AND CERTIFICATION**

The undersigned does hereby certify that (except as otherwise noted in this appraisal report):

1. I have made a personal, detailed inspection of the subject property. I have personally inspected the land sales & improved sales identified herein.
2. I have not been involved in an appraisal of the subject property within the preceding three year period of this report.
3. I have no present or perspective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. I certify that the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan. Employment of the appraiser was not conditioned upon the appraisal producing a specific value or a value within a given range.
6. I certify that, to the best of my knowledge and belief the statements of fact contained in this report are true and correct. Furthermore, no important facts have been knowingly withheld or overlooked.
7. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions. The hypothetical conditions and/or extraordinary assumptions required of this appraisal assignment are specifically noted within the Scope of Work are critical to the analyses and conclusions expressed herein. The reader is directed to fully understand the conditions contained in that section of the report.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
9. As of the date of this report, I, STEVEN A. HALL, MAI, CCIM have completed the continuing education program of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. No one provided significant professional assistance to the person (s) signing this report.
12. The report contains necessary discussion concerning a reasonable marketing period for the subject property within the estimated value shown.
13. This report is in compliance with applicable regulations governing appraisal services and appraisal reporting requirements for the State of Idaho.



**Before Valuation:** Based upon my investigations, studies and analyses, it is my opinion the **market value of the subject property defined herein as the "Vacant & Unimproved" cottage site,** reflecting the extraordinary assumption the Quit Claim deed was not filed and the original plat is the site size & dimensions of this "Vacant & Unimproved" condition, as of March 1, 2016, was:

**Sixty Seven Thousand Dollars**  
**\$67,000**

**After Valuation:** Based upon my investigations, studies and analyses, it is my opinion the **market value of the subject property defined herein as the "Vacant & Unimproved" cottage site,** reflecting the extraordinary assumption the Quit Claim deed has been filed and the original plat was modified to reflect this adjusted site size & dimensions of this "Vacant & Unimproved" condition, as of March 1, 2016, was:

**Fifty Five Thousand Four Hundred Dollars**  
**\$55,400**

The difference between these two valuations is the opinion of value expressed for the Area Transferred by Quit Claim Deed, as of March 1, 2016. The difference in these two valuations resulted in a value of this Area Transferred by Quit Claim Deed to be:

**Eleven Thousand Six Hundred Dollars**  
**\$11,600**

2016.11.16

*Steven A. Hall* 10:52:50  
-07'00'

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Steven A. Hall, MAI, CCIM  
ID Certified General CGA-257  
Expires August 11, 2017